

**MITIGATION BANKING INSTRUMENT
SKYKOMISH HABITAT MITIGATION BANK**

Amendment Number 1

I. Recitals.

WHEREAS, Skykomish Habitat, LLC, a Delaware Limited Liability Company (hereinafter, Sponsor), the U.S. Army Corps of Engineers (Corps), and the Washington State Department of Ecology (Ecology) entered into the underlying Mitigation Banking Instrument (hereinafter, the Instrument) regarding the establishment, use, operation, and maintenance of Skykomish Habitat Mitigation Bank (hereinafter, the Bank) on August 24, 2006; and

WHEREAS, the Sponsor has requested to combine the Letters of Credit for Construction for Phases 1A and 1B, and the Corps and Ecology have approved doing so, following consultation with the other members of the Mitigation Bank Review Team, and the Parties have mutually agreed, pursuant to Article VI.B.2. of the Instrument, to amend certain of the Instrument's provisions accordingly (hereinafter, the Amendment);

NOW, THEREFORE, the Parties agree to the following:

II. Amendment.

Article III.C.1.c. of the Instrument, and its sub-paragraphs, are replaced, in their entirety, with the following language: "c. The Letter of Credit for Construction shall take the general form of an agreement on the part of the issuing financial institution to honor the engagement reflected therein. The Sponsor shall provide a combined Letter of Credit for Construction, covering Phase 1A and Phase 1B, in the amount of not less than \$1,654,000."

III. General Provisions.

- A. All other provisions of the Instrument, not modified herein, remain in full effect.
- B. This Amendment will enter into effect upon the signature by authorized representatives of each of the Corps, Ecology, and the Sponsor, as of the date of the last of these three signatures.
- C. This Amendment shall be immediately, automatically, and irrevocably binding upon the Sponsor and its heirs, successors, assigns and legal representatives upon execution by the Sponsor, Ecology, and the Corps.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Amendment to the Mitigation Banking Instrument on the date herein below last written.


SPONSOR


Eric J. Kaplan
Managing Member
Skykomish Habitat, LLC
Skykomish Habitat Mitigation Bank


4-30-07
Date

MITIGATION BANK REVIEW TEAM

By the MBRT Co-Chairs:


Michael McCormick
Colonel, Corps of Engineers
District Engineer

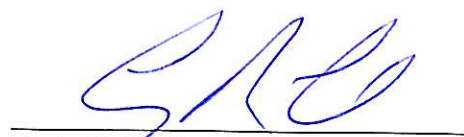
17 May 07
Date


Gordon White
Program Manager for Shorelands and Environmental Assistance Program
Washington State Department of Ecology

5/10/07
Date

LOCAL REGULATORS

By the County:


Craig R. Ladiser
Director, Department of Planning and Development Services
Snohomish County

4/30/07
Date